

THIN BLUE LINE BENEFITS ASSOCIATION HOLDINGS, LLC  
208 Fulton Ave., Rockport, TX 78382

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November 15, 2024

Matthew Clay

Email Address: claylabor@gmail.com

VIA EMAIL

RE: IMMEDIATE CEASE AND DESIST DEMAND BY TBL / NOTICE OF  
CONTRACTUAL BREACHES AND TERMINATION OF INDEPENDENT CONTRACTOR  
AGREEMENT

Dear Mr. Clay:

I am writing as Business and Legal Affairs Manager of Thin Blue Line Benefits Association Holdings, LLC (“**TBL**”). Although our investigation is continuing, based on information currently available, TBL believes that you are in violation of your contractual and common law obligations to TBL, including by (i) engaging in unlawful activities during your engagement as an independent contractor with TBL pursuant to an independent contractor agreement dated August 1, 2024 (the “**Independent Contractor Agreement**”), (ii) materially breaching your obligations pursuant to the Redemption and Withdrawal Agreement entered into between you and TBL on June 21, 2024 (the “**Withdrawal Agreement**”), and (iii) making certain false, destructive and defamatory statements about TBL and/or its products that are damaging to TBL and interfere with its legitimate business interests. Specifically, it has come to our attention that you have:

1. Marketed products competitive to those of TBL to the NFOP and/or IAFF in breach of your non-compete obligations pursuant to the Withdrawal Agreement;
2. Negligently or knowingly made false statements to members and customers of TBL regarding their insurance coverage options that constitute tortious interference with TBL’s contracts and business interests and may violate federal and/or state laws; and
3. Negligently or knowingly made false statements to third parties regarding the status of TBL’s business relationships with certain key vendors and partners (e.g. Cigna) in a manner that constitutes tortious interference with TBL’s contracts and business interests.

As detailed further below, TBL demands that you immediately retract these statements, cease and desist from making any further false, destructive and/or defamatory statements about TBL and comply with the other requirements set forth in this letter. We are currently investigating the situation and are evaluating our legal options, including bringing any necessary

legal action to seek equitable remedies, including injunctive relief, and recover damages for your unlawful conduct.

Furthermore, we are hereby providing formal notice that you have materially breached the Independent Contractor Agreement by failing to provide the Service (as defined therein) and by materially breaching the confidentiality obligations therein. As such, we are exercising our rights to terminate the Independent Contractor Agreement effective immediately.

TBL takes its business interests and its confidential and proprietary information very seriously, and will take all necessary and appropriate steps to prevent any misappropriation or disclosure of its confidential and proprietary information, or any breach of its contracts, tortious interference with its business relations, or usurpation of its corporate opportunities.

Since you are now on notice of potential litigation, we demand that you take all necessary steps to preserve and not destroy, conceal, or alter any and all communications and documents relevant to this matter, including, for example and without limitation, emails, text, voicemails, records, files, and other data, wherever located and regardless of the format or media. Purposeful destruction of such evidence could result in penalties, including legal sanctions.

This letter is not intended as a full recitation of the facts or a complete review of applicable law. Nothing contained in or omitted from this letter is or should be deemed to be a limitation, restriction, or waiver of any of TBL's rights or remedies, either at law or in equity. TBL expressly reserves all of its legal and equitable rights and remedies, including the right to seek injunctive relief and recover monetary damages.

This letter and the matters described herein are to be treated as confidential pursuant to your confidentiality obligations under the Independent Contractor Agreement, which survive its termination.

Very truly yours,



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Nicholas Burnett

Business & Legal Affairs Manager

CC:

Mary Lopez Dale, Esq.

The Deitch Law Offices

800 Rio Grande, Suite 202

Austin, TX 78701